



**J. Ashley Cooper**

**Partner**

t: 843.727.2674

f: 843.727.2680

ashleycooper@parkerpoe.com

Atlanta, GA  
Charleston, SC  
Charlotte, NC  
Columbia, SC  
Greenville, SC  
Raleigh, NC  
Spartanburg, SC  
Washington, DC

April 28, 2022

## VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd  
Chief Clerk/Executive Director  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

**Re: Application of Duke Energy Progress, LLC for Approval of Smart \$aver  
Solar as Energy Efficiency Program**

**Application of Duke Energy Carolinas, LLC for Approval of Smart \$aver  
Solar as Energy Efficiency Program**

**Docket Nos. 2021-143-E and 2021-144-E**

Dear Ms. Boyd:

I am writing on behalf of Duke Energy Progress, LLC ("DEP") and Duke Energy Carolinas, LLC ("DEC" and together with DEP, the "Companies"), in response to the South Carolina Office of Regulatory Staff's (the "ORS") Answer to Petitions for Reconsideration, Rehearing, and/or Clarification (the "Answer"). As an initial matter, the Companies stand by their Petition for Reconsideration and/or Rehearing filed in these dockets on April 15, 2022 (the "Petition"). The Companies are providing herein a limited response to address certain inaccuracies within the Answer for the benefit of the Commission's consideration.

### **I. Free-ridership.**

The Answer attacks the Companies' free-ridership estimate by incorrectly stating that the Companies did not provide "any supporting evidence, that absent the Programs, customers would not invest in rooftop solar PV and participate in the winter BYOT program."<sup>1</sup> In fact, to date, no customer has agreed to do this without an incentive, principally because the program does not yet exist. The Companies stated this on page 8 of the Petition, and re-iterate today that it strains credulity to think that a customer would be willing to invest in rooftop solar PV and commit to 25 years of participation in the winter BYOT program without receiving an incentive in return. The

---

<sup>1</sup> Answer at 8.

April 28, 2022  
Page 2

Companies' statement in its Petition, as provided above, is based upon actual customer behavior in their service territories.

## II. Adoption Rates.

ORS—perhaps unintentionally—misrepresents residential solar adoption anticipated in calendar year 2021. Once corrected, ORS's free-ridership arguments fail. In support of the ORS's free-ridership estimate, the Answer relies upon the allegation that “over 10,800 residential [solar PV] adoptions were anticipated in 2021, reflecting that over 2% of DEC and DEP customers will adopt solar during that period,”<sup>2</sup> and that this “conclusively” undercuts the Companies' position on free-ridership.<sup>3</sup> This statement in ORS's Answer, however, is incorrect as it misconstrues data provided by the Companies and contradicts testimony provided by ORS's own witness. Instead, those figures are the **cumulative** number of adoptions from the very beginning of residential solar adoption through the end of 2021, as provided both in the Companies' Petition and in ORS Witness Horii's own testimony.<sup>4</sup> The “actual customer adoption rate in 2020 was 0.23 percent, or an adoption rate of 0.0023,”<sup>5</sup> which translates to a little over 1,500 customers (not 10,800) as the evidentiary record accurately reflects.<sup>6</sup> Therefore, the Answer's reference to a 2% yearly adoption rate in 2021 was either an error or a misunderstanding of the Companies' data. The corrected adoption rates do not support the ORS's position.

## III. Evaluation, Measurement, and Verification (“EM&V”).

The Answer addresses the EM&V process by stating that “[d]eferred cost-effectiveness review to the EM&V process effectively absolves the utility of carrying its burden to show that a proposed program is expected to be cost-effective.”<sup>7</sup> This is not accurate. This statement mischaracterizes both the Companies' position and the EM&V process. The Companies are not suggesting that the Commission “defer” its review of cost-effectiveness to the EM&V process. Instead, the Companies stand by the cost-effectiveness of this Program, stating in the Petition that the Utility Cost Test results of the program “far exceed the 1.0 threshold.” However, just as with every approved EE/DSM program, the EM&V process provides added customer protection through an after-the-fact evaluation of the Program's cost-effectiveness. Although the ORS suggests that the EM&V process is unreliable, history shows otherwise. In the 12 years of energy efficiency in this State, the ORS's consultant has never once objected to the results of the EM&V process being applied to reconcile results in a DEC or DEP matter.<sup>8</sup>

Just as with every approved EE/DSM program, the EM&V process provides added customer protection through an after-the-fact evaluation of the Program's cost-effectiveness and a reconciliation of costs if necessary. As stated unequivocally in the Petition and during the proceeding, to the extent the Companies' figures are determined to be inaccurate during the EM&V process, **the Companies are willing to bear that risk through the true-up process.**

## IV. Conclusion.

---

<sup>2</sup> Answer at 9.

<sup>3</sup> Answer at 10.

<sup>4</sup> Petition at 16; Tr. p. 463.21, ll. 9-11.

<sup>5</sup> Tr. p. 574, ll. 15-17.

<sup>6</sup> Tr. p. 576.18, ll. 19-21.

<sup>7</sup> Answer at 15.

<sup>8</sup> The Answer cites Witness Brian Horii's testimony, stating that “Duke failed to present an EM&V plan or survey that will provide reliable results.” Answer at 16.

April 28, 2022  
Page 3

The Companies respectfully submit the above corrections and thank the Commission for its consideration of these matters. If you have any questions, please do not hesitate to contact me.

Sincerely,



J. Ashley Cooper

JAC:cmm

cc: All parties of record (via email)